



# MARYLAND

## GRAIN & LIVESTOCK REPORT

August 3, 2012	MDA #117	VOLUME 37	No. 31	PUB. Weekly
WEEKLY GRAIN COMMENTARY		Kevin McNew	Adjunct Professor, UMD-College Park	

### Bulls’ Run Getting Exhausted

The bulls have been in the driver’s seat for a few weeks now, but the rally seems to be getting a little tired. The Dow has fallen back below 13,000 after losing 196.78 points on the week to finish Thursday at 12,878.88. Oil continues in its sideways pattern and is down \$2.64 a barrel to trade near \$89.34 as of this writing. Gold has lost \$30.30 an ounce settling at \$1,592.20 today, while the dollar index is up sharply this week. The grain markets have had volatile trade, but are mostly down on the week across the board.

Corn has been trading around the \$8 level for a couple of weeks now, but is down 6 ¼ cents to settle at \$7.93 ¼ on the nearby September contract. There has been little fresh fundamental news to move the market recently and trade volume has slowed which could indicate the rally is in a holding pattern for now. Managed money is near the highest point we’ve seen all year on their net long position too. Private analysts are already making yield revisions lower ahead of the USDA reports on the 10<sup>th</sup>. Export sales were at the high end of expectations coming in at 178,400 MT for ‘11/’12 and 23,000 MT for ‘12/’13.

Soybeans have gained 20 ¾ cents on the week to finish trade Thursday at \$16.22 ¾ on the September contract. The crop is in the pod setting stage and is in dire need of rain to help prevent further yield reductions. Little precipitation has fallen leading to the slight uptick this week, while good-to-excellent ratings fell another 3% in Monday’s report. Demand has not receded as would be expected with the rally over the last couple of weeks. Export sales were reported as 194,000 MT for ‘11/’12 and 52,400 MT for ‘12/’13, which was on the low end of expectations.

Wheat has been the leader to the downside this week and is off 36 cents to settle at \$8.63 on the September CBOT contract. Fundamentally, the wheat market is looking weak as there are sufficient supplies, but world production is a bit of a concern as Russia and Australia are experiencing adverse weather. Spring wheat harvest is underway with initial yield results being estimated above last year’s total. Export sales met analysts’ expectations and were reported as 516,200 MT for ‘12/’13.

The bulls need some fresh fundamental news to keep this rally going. We’ve seen trade volume slow and managed money reach the high end of their net long positions. Demand is a tale of two stories for corn and soybeans as corn demand seems to be slowing while soybean demand is holding steady. Next Friday the USDA releases its monthly Supply/Demand and Crop Production updates.

### CASH GRAIN PRICE – REGIONAL (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	7/24	7/31	7/24	7/31	7/24	7/31	7/24	7/31
Western, MD	8.43	8.66	15.60	16.32	8.37	8.66	4.25	4.25
Central, MD	8.94	9.00	16.94	16.75	8.93	8.95	----	----
Southern, MD	8.28	8.55	16.29	17.01	8.39	8.48	----	----
Upper E. Shore	8.53	8.80	16.37	17.09	8.44	8.53	----	----
Lower E. Shore	8.68	8.95	16.52	17.24	8.42	8.51	----	----

### FORWARD CONTRACT PRICE – REGIONAL (\$/bu) HARVEST DELIVERY DEALER’S AVG. QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	7/24	7/31	7/24	7/31	7/24	7/31	7/24	7/31
Western MD	----	----	----	----	----	----	----	----
Central MD	----	----	----	----	----	----	----	----
Southern MD	----	----	----	----	----	----	----	----
Upper E Shore	----	----	----	----	----	----	----	----
Lower E Shore	7.98	8.25	15.00	15.71	7.29	7.60	----	----

### GRAIN FUTURES - CME Group - Settle - August 2, 2012 Quarter - cents/bushel)

Corn		Soybeans		Wheat		Soybean Meal <sup>1/</sup>	
SEP12	794’0	AUG12	1653’0	SEP12	865’0	AUG12	523.7
DEC12	795’6	SEP12	1623’4	DEC12	879’4	SEP12	505.9
MAR13	797’4	NOV12	1616’4	MAR13	884’4	OCT12	495.7
MAY13	791’0	JAN13	1610’2	MAY13	862’4	DEC12	490.2
JLY13	785’4	MAR13	1520’6	JLY13	827’0	JAN13	481.9
SEP13	684’6	MAY13	1442’6	SEP13	827’6	MAR13	449.7
DEC13	639’0	JLY13	1430’6	DEC13	833’4	MAY13	413.1
MAR14	646’0	AUG13	1404’4	MAR14	838’4	JLY13	405.7
MAY14	647’6	SEP13	1332’2	MAY14	824’2	AUG13	393.5
JLY14	647’6	NOV13	1271’0	JLY14	791’6	SEP13	380.8

### HAY AND STRAW

#### New Holland, PA - July 30, 2012 - \$/ton

Alfalfa	Mixed Hay	Timothy	Grass	Straw	
185.00 – 255.00	130.00 – 430.00	175.00 – 240.00	130.00 – 420.00	120.00 – 170.00	

#### Westminster, MD – July 30, 2012 - \$/bale

Alfalfa	Alfalfa Mix	Timothy	Timothy Mix	Grass Mix	Straw
5.00 – 6.30	5.40 – 6.00	2.90 – 6.70	2.25 – 3.50	2.00 – 3.70	2.10 – 3.10

POULTRY <sup>2/</sup>						
Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$/CWT) – Week Ending - August 4, 2012						
		Current Week	Prev. Week	Prev. Month	Prev. Year	
N.Y. Weighted Avg.		78.41	81.77	83.33	74.20	
12 City Composite		79.87	81.89	83.06	79.78	
SHEEP & LAMBS - Westminster, MD – July 31, 2012 – (\$/CWT)						

1/ Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))

2/ Source: USDA, AMS

<p>Compiled by USDA, NASS, Maryland Field Office</p> <p>For more information about this report, call 410-841-5740</p> <p><b>MARYLAND DEPARTMENT OF AGRICULTURE</b></p> <p>50 Harry S Truman Parkway</p> <p>Annapolis, MD 21401</p>	<p><b>UNITED STATES DEPARTMENT OF AGRICULTURE</b></p> <p><b>NATIONAL AGRICULTURAL STATISTICS SERVICE</b></p> <p><b>MARYLAND FIELD OFFICE</b></p> <p>Barbara Rater.....Director</p> <p>Douglas Boline.....Deputy Director</p>
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